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United States Senate
WASHINGTON, D.C. 20510

ADMINISTRATIVE ASSISTANT

September 18, 1973

Mr. Robert A. Diamond
Senior Editor (Books)
Congressional Quarterly
1735 K Street, N. W.
Washington, D. C. 20006

Dear Mr. Diamond:

It has been called to my attention that an article, "Intelligence Agencies Under Fire for Watergate Role," in your fall edition of "Guide to American Government" contains an inaccurate characterization of a series of memoranda written by Lt. Gen. Vernon Walters, the Deputy Director of Central Intelligence, i.e.:

"The memos disclosed that Walters made an effort all along to cooperate with the White House cover-up attempt although he said he did not have the authority to make some of the decisions that were asked of him." (page 59)

On May 14, 1973 General Walters testified before the Senate Armed Services Committee on the series of events involved. Following that testimony, as Acting Chairman I stated:

"It is very clear to me that there was an attempt to unload major responsibility for the Watergate bugging and cover-up on CIA. Under these difficult circumstances and heavy pressures, I believe that Director Helms and General Walters, who was at all times operating with the approval of Mr. Helms, behaved very well with respect to this attempt."

Subsequently, on June 25, 1973 John W. Dean, III, testified before the Senate Select Committee on Presidential Campaign Activities that General Walters was so unalterably opposed to any CIA assistance for the individuals involved, that Dean was "...embarrassed about requesting the (second) meeting because he (Walters) had been most explicit and convincing to me at the first meeting."

It is believed that the memoranda themselves and the public testimony before the Select Committee confirm the essential facts established before the Senate Armed Services Committee, that:

SEP 4 1973

A New Director Takes Over CIA

Examiner News Services

WASHINGTON — The third director of the Central Intelligence Agency in the Nixon Administration was sworn in today at the White House Oval Office.

President Nixon called William E. Colby, former deputy director, "a true professional in the best sense of the word" as the oath of office was administered.

The President remarked that Colby's career was little known because in the CIA, "Your successes usually must remain unknown and your failures become known."

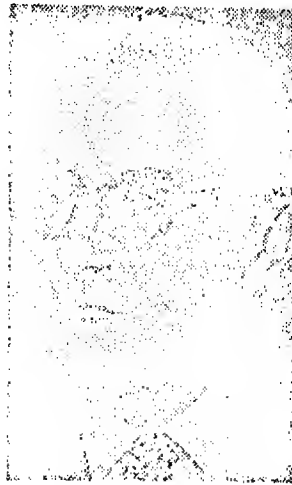
Pacification

Nixon took care to notice Colby's direction of pacification programs in South Vietnam from 1968 to 1971, and thanked him for helping build that nation "into a viable country, which is now paying off."

Colby's past involvement in the pacification program had been criticized during Senate hearings on his appointment. The pacification program was alleged to have included various undercover activities and assassinations of Viet Cong leaders.

Guests at the ceremony today included Secretary of State designate Henry Kissinger, Defense Secretary James Schlesinger, and Admiral Thomas Moorer, chairman of the Joint Chiefs of Staff.

Lieut. Gen. Vernon Walters, deputy CIA director,



WILLIAM COLBY
New CIA head

was invited but was out of the country. Walters was called to testify at the Senate Watergate hearings concerning his dealings with White House aides and former acting FBI Director L. Patrick Gray.

Watergate Involvement

It has been charged that the Nixon Administration attempted to use the CIA to impede FBI Watergate investigations.

A newly published Louis Harris Poll, conducted Aug. 18-19, reported that a plurality of 46 percent to 33 percent of those interviewed felt the CIA was used to its detriment in a Watergate coverup.

Asked if they felt the CIA was involved in Watergate or other illegal domestic spying, 45 percent said they thought the CIA was in-

volved; 24 percent felt it was not involved, and 31 percent were not sure.

Responding today to the President's remarks, Colby said he saw his duty as to get the facts and present them to the President and to apply "the human quality of intelligence by analyzing the facts to make the proper judgment to serve the President and national security."

Third in Row

Colby was nominated to succeed Schlesinger, who had replaced Richard Helms. The latter, named head of CIA by President Johnson in 1966, has been shifted by Nixon to his present post of Ambassador to Iran.

The ceremony was the first major item of business at the White House for Nixon since he went to Florida and California two weeks ago.

Nixon escaped mid-90-degree Washington heat and spent a relaxing weekend with his family and Florida friend C. G. "Bebe" Rebozo. He took almost daily swims in the pool, walked to the Catoctin mountain woods, watched movies and the color-television broadcast Sunday of the Washington Redskins football exhibition match against the New England Patriots.

Aides said the President scheduled a meeting with the Cabinet and with Republican leaders later this week to set priorities for legislation now before Congress or in preparation.

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Under Cover of National Security Obstructing Justice

STAT

by Walter Pincus

For a period of two weeks last year, the FBI held up its investigation of two men in the Watergate case while its then acting director, L. Patrick Gray III, assessed the claims that if he went ahead he would uncover covert CIA operations in Mexico. President Nixon, in his May 22 speech this year, in effect accepted personal responsibility for the delay: "Within a few days [of the arrests at Democratic headquarters]," he said, "I was advised that there was a possibility of CIA involvement . . . It did seem to me possible that, because of the involvement of former CIA personnel [in the break-in] . . . the investigation could lead to the uncovering of covert CIA operations totally unrelated to the Watergate break-in . . . I instructed Mr. Haldeman and Mr. Ehrlichman [his two top White House aides] to insure that the investigation of the break-in not expose . . . an unrelated covert operation of the CIA . . . and to see that this was personally coordinated between General [Vernon] Walters, the deputy director of CIA, and Mr. Gray of the FBI. It was certainly not my intent nor my wish that the investigation of the Watergate break-in or of unrelated acts be impeded in any way."

It is worth recalling Mr. Nixon's words because despite the President's protestations that his intent was solely to protect national security, special Watergate prosecutor Archibald Cox has reviewed the matter and established, to his own satisfaction, that the effort to use the CIA to stop the FBI inquiry was not just mistaken caution but rather part of the overall criminal conspiracy to obstruct justice.

According to the information filed on August 17 in federal court at the time Jeb Stuart Magruder pleaded guilty, "part of the conspiracy" to obstruct justice was, wrote Cox, "that certain co-conspirators would misrepresent that the Central Intelligence Agency had an interest in limiting the investigation."

Thus a solid line has been drawn between how Cox and Nixon view one aspect of the Watergate case. This factual disagreement is important because the principal participants in the episode—and also those who may be indicted as co-conspirators—include not only the President himself and his two chief aides, Haldeman and Ehrlichman, but also former White House Counsel John Wesley Dean III, acting FBI Director Gray and Deputy CIA Director Walters. Others who may have been involved in this part of the cover-up are Nixon Re-election Committee Director John

Mitchell and Finance Chairman Maurice Stans.

Was there genuine concern about national security or was the real fear political embarrassment in a presidential election year? It is very revealing that the White House focused its concern in Mexico, and on four checks from a Mexico City bank that passed through the account of one of the Watergate conspirators just six weeks before his arrest inside Watergate.

According to Dean's testimony to the Ervin committee, he learned on June 21—four days after the publicized break-in—that the FBI had come across the Mexican checks totaling \$89,000. He also was told about a \$25,000 check which went through the same bank account at the same time. It was signed by a man named Kenneth Dahlberg. Dean's source: then acting FBI Director Gray. (It is worth noting that Gray testified under oath in his ill-fated confirmation hearings before the Senate Judiciary Committee that "when we started out this investigation it was the most closely held investigation that we have conducted in the FBI because of the fact that we did not know who might become involved." That statement, as his conversations with Dean show, was not completely true.)

Dean testified he reported the information to his superiors in the White House and apparently to Mitchell and Stans. Later in his testimony he stated that the fact that "the FBI was investigating these matters was of utmost concern to Mr. Stans." The Dahlberg check represented a contribution from a Humphrey supporter (Dwayne Andreas) and was dated April 10, 1972—three days after a new reporting law went into effect. The contribution had not been reported. Stans' concern was further aroused when, about the same time, he heard from Dahlberg, a Minnesota businessman and Nixon fund-raiser, that the FBI was trying to interview him.

Stans also had some worries about the Mexican checks. They represented almost all of a \$100,000 contribution from a Houston company. That gift could be considered a violation of the law prohibiting a corporation from contributing its own funds to a presidential election. (A Houston grand jury now has this matter under investigation.) With those things on Stans' mind, Dean's testimony seems believable. "Mitchell and Stans both asked me to see if there was anything the White House could do to

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